

007/012 Incoming

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June 15, 2010

Ms. Angela Nance
State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

**RE: Nevada Electric Investment Company (NEICO)
Wellington Preparation Plant – Reclamation Bond**

Dear Ms. Nance,

Enclosed please find a new and signed "Exhibit B, Surety Bond" (Non-Federal Coal) for the Nevada Electric Investment Company's (NEICO), Wellington Preparation Plant (Permit No. ACT/007/012).

This Surety Bond is submitted to inform the Division of a change from Bond Safeguard Insurance Company (Bond # _____) to Federal and Deposit Company of Maryland (Bond # _____).

Additionally, in order to fully close out the old bond with the new, the Bond Safeguard Insurance Company will need a dated and signed release letter for Bond # _____ on State of Utah, Division of Oil Gas & Mining letterhead. The letter should state that the State of Utah fully and unconditionally releases and discharges Bond Safeguard Insurance Company from any and all past, present and future liability in connection with Bond # _____.

Upon receipt of the formal release from the Division, NEICO will work with Bond Safeguard Insurance Company to have Bond # _____ closed.

If you have any questions, please contact me directly at 702-402-5767.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony D. Garcia".

Tony D. Garcia, C.E.M.
Manager, Environmental Services
Nevada Power Company d/b/a NV Energy

cc: NEICO File
J. Vinski

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DIV. OF OIL, GAS & MINING

"This bond replaces Bond Safeguard Insurance Company bond No. 5035659 effective 4/16/2010"

Exhibit "B"
Non-Federal Surety Bond
Non-Federal
Bond Number.

EXHIBIT "B"
SURETY BOND
(NON-FEDERAL COAL)
--ooOOoo--

This **SURETY BOND** entered into by and between the undersigned **PERMITTEE/PRINCIPAL** Nevada Electric Investment Company, and **SURETY** Fidelity and Deposit Company of Maryland hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas & Mining (**DIVISION**) in the penal sum of (\$5,153,000.00) Five Million One Hundred Fifty-Three Thousand and NO/100 Dollars (\$) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of the Reclamation Agreement.

This **SURETY BOND** will remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, the approved permit, and the **DIVISION**.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

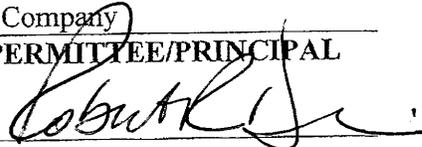
The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** from all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL** and to the **DIVISION** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirement which could result in suspension or revocation of the **SURETY'S** license.

Terms for release or adjustment of the **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set it's signature and seal this 10th day of June, 2010

Nevada Electric Investment
Company
PERMITTEE/PRINCIPAL

By: 

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Exhibit "B"
Non-Federal Surety Bond
Non-Federal

President
Title:

Bond Number:

IN WITNESS WHEREOF, the SURETY has hereto set it's signature and seal
this 17th day of May, 2010.

Fidelity and Deposit Company of Maryland
SURETY

By:

Sandra M. Martinez, Attorney-in-Fact
Title:

ACCEPTED BY THE STATE OF UTAH:


Director,
Division of Oil, Gas & Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE/PRINCIPAL** is a corporation, the Agreement shall be executed by it's duly authorized officer.

ACKNOWLEDGEMENT BY SURETY

STATE OF ILLINOIS
COUNTY OF COOK

On this 17th day of May, 2010, before me, Douglas Schmude, a Notary Public, within and for said County and State, personally appeared Sandra M. Martinez to me personally known to be the Attorney-in-Fact of and for Fidelity and Deposit Company of Maryland and acknowledged that she executed the said instrument as the free act and deed of said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and year in this certificate first above written.



Notary Public in the State of Illinois
County of Cook



**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by THEODORE G. MARTINEZ, Vice President, and GERALD F. HALEY, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof does hereby nominate, constitute and appoint **Sandra M. MARTINEZ, Linda M. ISER, Karen I. DANIEL, Susan J. PREIKSA, Susan A. WELSH, Robert E. DUNCAN, Marvin O. RIVERA, Kimberly BRAGG, William P. RENDINGER and Karen E. BOGARD, all of Chicago, Illinois, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents shall be as binding upon said Company, as fully and amply, to all intents and purposes as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Sandra MARTINEZ, Linda ISER, Kathleen J. MAILES, Karen DANIEL, Susan J. PREIKSA, Susan A. WELSH, Robert E. DUNCAN, Joellen M. MENDOZA, James A. CUTHBERTSON, Geoffrey E. HEEKIN, dated March 25, 2010.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 23rd day of April, A.D. 2010.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



Gerald F. Haley

Theodore G. Martinez

By:

Gerald F. Haley Assistant Secretary *Theodore G. Martinez*

State of Maryland }
City of Baltimore } ss:

On this 23rd day of April, A.D. 2010, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came THEODORE G. MARTINEZ, Vice President, and GERALD F. HALEY, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn

Constance A. Dunn Notary Public
My Commission Expires: July 14, 2011